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INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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50X1-HUM

COUNTRY East Germany

REPORT

SUBJECT Difficulties at the Wismut Plant (Objekt) DATE DISTR.
in Seelingstaedt *(Ore processing plant)*

29 SEP 1961

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THIS IS UNEVALUATED INFORMATION. SOURCE GRADINGS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

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1. The ore-processing plant of SDAG Wismut at Seelingstaedt is subdivided into 5 - 7 operations (Zechen). Operation 5, the ore mill, is to be expanded. Needed for the expansion are steel beams of bar steel and seamless pipe. Considerable difficulties are being encountered, since this expansion work was not a part of the original Wismut material procurement plan. A total of some additional several hundred tons of material is required and so far it has not been determined where it can be procured. These materials are not on hand at the Wismut storage depots and very hard to find. These depots were depleted in the course of the East German campaign calling for a reduction of excess stocks held in individual plants. At Wismut, too, some of the excess stocks were sold or transferred to other industries. Wismut has received orders not to relinquish any of its reserve stocks in the future.
2. Recently, talks were held by the SDAG Wismut General Management to discuss ways and means of making Wismut independent of western imports. One result of the meeting was the consensus that Wismut's dependence on western deliveries of materials and machinery had been overestimated. The meeting determined, however, that Kantal wire cannot be 50X1-HUM obtained either from the USSR or from some other East Bloc country. Key steel (Keil-Stahl) cannot be procured 50X1-HUM from the USSR. Wismut's interest in refined steel centers on V-2 A and V-4 A steels. Most of these were imported A small portion 50X1-HUM is procured from VEB Edelstahlwerk 8. Mai, in Freital near Dresden. There is a definite possibility that in the future it will be possible to procure refined steels in larger quantities from Freital. 50X1-HUM In this connection, however, the meeting was unable to determine unequivocally if refined steels procured from Freital actually all originate in East Germany. The suspicion was voiced that, possibly, basic materials for its refining operations were procured for the Freital mill. With regard to seamless pipes, there is no problem of procurement. These can 50X1-HUM to the Wismut concern from the USSR. 50X1-HUM

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INFORMATION REPORT INFORMATION REPORT

S-E-C-R-E-T

- 2 -

50X1-HUM

3. Nickel steel is to be replaced by chrome steel. In the past, Wismut has required high-alloy nickel steels for its drilling machinery. In order to achieve independence from western imports of nickel steel, other steel alloys are to be put to use at SDAG Wismut.

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Next 5 Page(s) In Document Denied